

January i, 1903, and the capital was increased to 50,000,000 francs (\$10,000,000). Several changes were made in the previous laws regarding taxation, the handling of the public funds, and the share of the government in the profits of the bank. Greater precision was introduced into the provisions regarding the proportion of specie held, which is now required to be one-third of the notes in circulation and of other demand liabilities. This reserve may be trenced upon in emergencies with the consent of the Minister of Finance. The notes of the bank were made a legal tender by the law of June 20, 1873, but *only* so long as they are redeemed in coin on demand and are receivable in public depositaries. Their acceptance by public depositaries is defined by law, but may be suspended by the Minister of Finance. A portion of the public funds in the custody of the bank is allowed to be loaned, but the profits earned go to the credit of the Treasury.

In the revision of the charter in 1900 the tendencies toward State socialism which had become strong in Belgium had free play. The privileges of the bank were indeed extended to January i, 1929, but only under provisions which turned over a large part of its profits to the public Treasury. Under the extension of the charter in 1872 the bank was required to pay a patent tax on the gross volume of business, a stamp tax on its notes, and a tax of one-quarter of one per cent, semi-annually on the excess of the circulation above 275,-000,000 francs. These provisions were continued by the law of March 26, 1900. The other principal taxes levied by the law of 1872 were one-quarter of the net profits of the bank above six per cent, and on discounts the entire excess of receipts above a rate of five per cent.¹ These two limits were radically changed in 1900. Henceforth one-quarter of the profits was to go to the State after four per cent, had been, distributed to the shareholders and all profits obtained from a discount rate above three and a half per cent, were to find their way into the public Treasury.⁵ Under these provisions

¹ Noel, L, 563.

² *Bulletin de Statistique*, April, 1900, XLVII., 422.